GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

STARRED QUESTION NO:90
ANSWERED ON:20.02.2009
ACCOUNTS AND AUDIT OF COMPANIES
Acharia Shri Basudeb;Dubey Shri Chandra Shekhar

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government has ordered any inquiry against Pricewaterhouse Coopers (PwC) and some other audit firms for their alleged involvement in irregularities committed in the books of accounts of some companies;

(b) if so,the details and outcome thereof;

(c) whether the Government proposes to bring some changes in accounting standards being practised in the country in the wake of the Satyam Computer Services Ltd. scam; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

(a) to (d): A statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.90 FOR 20.02.2009 REGARDING ACCOUNTS AND AUDIT OF COMPANIES

(a) & (b): The Government has,on 7.1.2009,asked the Institute of Chartered Accountants of India (ICAI), a statutory body set up under the Chartered Accountants Act, 1949 to look into the role and manner of discharge of statutory functions by the auditors of Satyam Computer Services Limited, namely,Price Waterhouse,Bangalore,compliance with the accounting and auditing standards as well as provisions of the Companies Act, 1956 while auditing the accounts of the said Company.The Government has,on 13.01.2009, also ordered investigation into the affairs of the Company,including into the role of its statutory auditors, and exercise of due diligence by them in discharge of their statutory function. The Government undertakes investigations and inspections of companies under the provisions of the Companies Act, 1956 from time to time on the basis of complaints or any information relating to non-compliance/violation of the provisions of the Companies Act, 1956 and other laws and takes action against the defaulting persons, including the statutory auditors of such Companies, as warranted.

(c) & (d): The Government has notified the Companies' (Accounting Standards) Rule, 2006 in exercise of powers under Sec. 211(3C) of the Companies Act, 1956 after following a detailed process as laid down in section 211 of the Companies Act, 1956.No change has been felt to be necessary in such Accounting Standards as a result of the events relating to Satyam Computer Services Limited.